

**DAVID CROCKETT STEAM VOLUNTEER
FIRE COMPANY NUMBER ONE
OPERATIONS FUND
FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2011

Camnetar & Co., CPAs
a professional accounting corporation

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
David Crockett Steam Volunteer Fire Company Number One

We have audited the accompanying statement of financial position of the Operations Fund of David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2011 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of December 31, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 29, 2012

FINANCIAL STATEMENTS

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF FINANCIAL POSITION
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 733,464
Certificates of deposits	<u>98,934</u>

Total current assets	832,398
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PROPERTY, PLANT AND EQUIPMENT, NET	760,227
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OTHER ASSETS

Certificates of deposits	<u>68,456</u>
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Total other assets	68,456
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TOTAL ASSETS	<u><u>\$ 1,661,081</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	<u>\$ 1,273</u>
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Total current liabilities	1,273
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NET ASSETS

Unrestricted	
Designated	26,063
Undesignated	<u>1,633,745</u>

Total net assets	<u>1,659,808</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,661,081</u></u>
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The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF ACTIVITIES
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

UNRESTRICTED NET ASSETS

REVENUE

City funding	\$ 1,567,463
State supplemental pay	83,500
Miscellaneous	33,916
Grant	<u>7,500</u>

Total revenue	1,692,379
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EXPENSES

Administrative	20,520
Firefighting	<u>1,512,862</u>

Total expenses	<u>1,533,382</u>
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INCREASE IN UNRESTRICTED NET ASSETS	158,997
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NET ASSETS-BEGINNING OF YEAR	<u>1,500,811</u>
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NET ASSETS-END OF YEAR	<u><u>\$ 1,659,808</u></u>
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The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF CASH FLOWS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$	158,997
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation		107,157
Increase in payroll taxes payable		349
		<hr/>
Net cash provided by operating activities		266,503
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest reinvested in certificate of deposits		(2,250)
Purchases of property and equipment		(44,572)
		<hr/>
Net cash used in investing activities		(46,822)
NET INCREASE IN CASH AND CASH EQUIVALENTS		219,681
CASH AND CASH EQUIVALENTS - beginning of year		513,783
		<hr/>
CASH AND CASH EQUIVALENTS - end of year	\$	<u>733,464</u>

The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ACTIVITIES

David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) was established to provide fire fighting within the City of Gretna, Louisiana. In addition, the Organization provides fire code inspections for businesses within the city, as well as fire and rescue training for its members. David Crockett Steam Volunteer Fire Company Number One received the vast majority of its financial support from the City of Gretna. The financial statements do not include the separate fund to account for the social activities of the company; it only includes the operations fund.

A summary of the David Crockett Steam Volunteer Fire Company Number One's Operations Fund significant accounting policies applied in the preparation of the accompanying financial statements follows.

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements are prepared on the accrual basis. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, information regarding financial position and activities is reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets and a statement of cash flows is required. As of December 31, 2011, David Crockett Steam Volunteer Fire Company Number One's operations fund had only unrestricted net assets.

The statement of activities presents expenses functionally between program services for firefighting, general and administrative, and fund raising. Those expenses, which cannot be functionally categorized, are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

COMPENSATED ABSENCES

A liability has not been recorded for accumulated vacation or sick leave because it is nonvesting.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of automobiles, building improvements, fire and office equipment, and furniture and fixtures which are carried at cost or estimated historical cost if acquisition cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial a statement since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's fire fighting activities.

INCOME TAXES

The fire company is exempt from income taxes under Internal Revenue Code section 501(c)(4) as a nonprofit organization and thus these financial statements contain no provision for income taxes.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Cash paid during the year for:

Interest	\$ 37
Taxes	\$ --

ON-BEHALF PAYMENTS

Supplemental pay which is paid directly to employees of the Fire Company by the State of Louisiana, Department of Public Safety, is recognized as revenue and salaries expense in the year in which paid. For the year ended December 31, 2011, the amount recognized as revenue and expenses was \$ 83,500.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2011, the carrying amount of the David Crockett Steam Volunteer Fire Company Number One operations fund bank account was \$733,464. The bank balances maintained at various financial institutions were \$747,113 of which were entirely covered by federal depository insurance.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

	Rate of Interest <u>December 31, 2011</u>	Reconciled Balance <u>December 31, 2011</u>
Iberia Bank		
Money market	0.37%	\$ 52,727
Savings	0.15%	26,063
Regions Bank		
Operations	---	654,674
		<u>\$ 733,464</u>

NOTE 3 – CERTIFICATE OF DEPOSITS

At December 31, 2011 the balance of David Crockett Fire Company Number One certificates of deposits was \$167,390. The certificates bear interest from .25 to 3% and have maturities ranging from six months to five years. These certificates were covered by federal depository insurance.

	Maturity	Rate of Interest <u>December 31, 2011</u>	Balance <u>December 31, 2011</u>
Certificates of Deposits			
Gulf Coast Bank	12/31/11	0.25%	\$ 98,934
Total current			98,934
Iberia Bank			
Total non-current	11/9/2014	3.00%	\$ 68,456
			68,456
Total			167,390

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2011

	Balance			Balance
	January 1, 2011	Additions	Deletions	December 31, 2011
Land	\$ 48,500	\$ -	\$ -	\$ 48,500
Buildings & Improvements	704,526	24,728	1,375	727,879
Fire Fighting Equipment	2,058,290	13,861	11,640	2,060,511
Furniture & Fixture	44,405	5,983	-	50,388
	2,855,721	44,572	13,015	2,887,278
Less				
Accumulated Depreciation	2,032,909	107,157	13,015	2,127,051
Net Property Plant, and Equipment	\$ 822,812	\$ (62,585)	\$ -	\$ 760,227

Depreciation expense for the year ended December 31, 2011 was \$107,157.

NOTE 5 - PENSION PLAN

The Company has a defined contribution plan covering substantially all of its employees. The name of the plan is David Crockett Fire Company Number One Profit Sharing Plan & Trust, which is administered by David Crockett Steam Volunteer Fire Company Number One. The plan was established under provisions of various sections of the Internal Revenue Code. The plan provides for discretionary contributions by the employer based on employees' salary and elective contributions by the employees. The plan was established effective October 1, 1999. The employer contributions for 2011 were \$27,254 and the employee contributions for 2011 were \$11,614.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 – FIRE FIGHTING EQUIPMENT LEASE

The David Crockett Steam Volunteer Fire Co. Number One is being provided with fire fighting equipment by the City of Gretna under a lease for \$1 per year. The Company is responsible for maintenance and to maintain insurance on the equipment being leased. The equipment remains the property of the City of Gretna and therefore is not presented in Property, Plant and Equipment.

NOTE 7 – DATE OF MANAGEMENT’S REVIEW

The Organization has evaluated subsequent events through June 29, 2012, the date which the financial statements were available to be issued.

NOTE 8 – CONTINGENCIES AND COMMITMENTS

Litigation: The Organization is a defendant in two lawsuits. The first is a wrongful death lawsuit brought by the family of an employee who died operating a piece of fire apparatus. The lawsuit was filed in a prior year and there has not been much progress in this case. In the opinion of legal counsel, this is a workman’s compensation matter although the plaintiffs have attempted to claim a tort action. In either case, the organization is protected by adequate insurance coverage. No accrual has been made on the organization’s financial statement regarding this matter.

The second is a lawsuit regarding payment of rents alleged to be owed on fire stations used by the organization. This suit, also, has had no activity and the plaintiffs have not pursued any additional action since filing the initial claim. The organization has designated \$26,063 of net assets should an unfavorable judgment be rendered against the organization.

COMPLIANCE AND INTERNAL CONTROL SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
David Crockett Steam Volunteer Fire Company Number One

We have audited the operations fund financial statements of the David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of David Crockett Steam Volunteer Fire Company Number One is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the operations fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the David Crockett Steam Volunteer Fire Company Number One operations fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the members of the David Crockett Steam Volunteer Fire Company Number One's management and others within the organization, the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 29, 2012

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

We have audited the financial statements of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of and for the year ended 2011 and have issued our report thereon dated June 29, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings

A. Issues of Non Compliance

NONE

B. Significant Deficiencies

NONE

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section I Internal Control and Compliance Material to the Financial Statements

Finding 2010-1 Late filing of Financial Statements - The Company did not comply with state law, which requires financial statements to be completed prior to six months from the Organization's fiscal year end. (Resolved)

Section II Management Letter

NONE

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
MANAGEMENT CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I Internal Control and Compliance Material to the Financial Statements

NONE

Section II Management Letter

NONE